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MINISTRY OF FINANCE (REVENUE DIVISION)

NOTIFICATIONS

CUSTOMS

New Delhi, the 26th November 1953

**S.R.O. 2198.**—In exercise of the powers conferred by sub-section (1) of section 43-B of the Sea Customs Act, 1878 (VIII of 1878), the Central Government hereby directs that drawback shall be allowed in accordance with, and subject to, the provisions of the said section and any rules made thereunder on duty paid foreign cotton used in the manufacture of—

(a) cotton cloth of warp and weft counts 40s and over; and

(b) cotton yarn of counts 40s and over

when such cloth or yarn is manufactured in, and exported from, India or shipped as stores on board a ship proceeding to a foreign port.

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**S.R.O. 2199.**—In exercise of the powers conferred by sub-section (3) of section 43-B of the Sea Customs Act, 1878 (VIII of 1878), the Central Government hereby makes the following rules, namely:—

1. **Short title.**—These rules may be called the Customs Duties Drawback (Cotton Cloth and Yarn) Rules, 1953.

2. **Definitions.**—In these rules, unless the context otherwise requires,—

(a) 'Act' means the Sea Customs Act, 1878 (VIII of 1878);

(b) 'foreign cotton' means cotton grown in any country outside India;

(b) 'foreign cotton' means cotton grown in any country outside India; warp and weft yarns are of counts of 40s and over but shall not include—

(i) ready made clothing, other than dhoties and sarces;

(ii) hosiery;

(iii) leather cloth and inferior or imitation leather cloth ordinarily used in book-binding;

(iv) tracing paper;

(v) rubberised or synthetic waterproof fabrics whether single-textured or double-textured;

(vi) handloom cloth; and

(vii) cloth of any kind manufactured on power looms;

(d) 'yarn' means any type of yarn manufactured wholly from foreign cotton, of counts 40s and over.

3. **Goods in respect of which drawback may be paid.**—Subject to the provisions of the Act and these rules, drawback shall be paid in the case of cloth or yarn manufactured in, and exported from, India or shipped as stores for use on board

a ship proceeding to a foreign port in respect of foreign cotton used in the manufacture of such cloth or yarn.

4. **Period for which drawback admissible**—Drawback under these rules shall be admissible for the period during which a notification in respect of the goods specified in rule 3 is in force under sub-section (1) of section 43B of the Act.

5. **Manner of allowing drawback**—Drawback shall be allowed on the shipment of cloth and yarn referred to in rule 3 subject to the following conditions, namely:—

- (a) the shipper of cloth or yarn shall make a declaration on the relative shipping bill
  - (i) that the cloth or yarn entered for export is of count 40s or over,
  - (ii) that a claim for drawback under section 43B of the Act is being made, and
  - (iii) that to the best of his knowledge and belief, the cloth or yarn in respect of which the drawback is being claimed has been wholly manufactured from foreign cotton,
- (b) the shipper shall, in the shipping bill, furnish, in addition to any information required under section 29 of the Act, such additional information as may, in the opinion of the Customs Collector, be necessary for the purpose of verification of the claim for drawback, and in particular the Customs Collector may require such additional information in respect of the following matters, namely:—
  - (i) the description of the goods;
  - (ii) the name of the manufacturer;
  - (iii) the particulars of any brand or trade-mark attached to the goods;
  - (iv) gross and net weights, length, width, as the case may be, of the goods.

6. **Payment of drawback**—Where the Customs Collector is satisfied that a claim for drawback is established under these rules, such drawback shall be paid at the rates indicated in rule 7.

7. **Rates of drawback**—Drawback shall, subject to the provisions of these rules, be allowed at the rate of two annas and 1-1/5 pies per each pound of cloth or yarn shipped less percentage deductions made for cloth or yarn as follows:—

Description	Percentage deductions.
(1) Yarn as defined in rule 2(d).	15 per cent.
(2) Cloth as defined in rule 2(c)	15 per cent.

8. **Powers of Customs Collector**—For the purpose of enforcing these rules, the Customs Collector may—

- (a) require the manufacturer of cloth or yarn in the case of which drawback is claimed under these rules to produce to him evidence relating to the proportion in which foreign cotton is contained in such cloth or yarn;
- (b) require any person who has been concerned at any stage with the manufacture of cloth or yarn to produce any books of accounts or other documents of whatever nature relating to the foreign cotton used in the manufacture of such cloth or yarn;
- (c) require the production of such certificates, documents and other evidence in support of each claim of drawback as may be necessary.

9. **Access to manufactory**—The manufacturer of cloth or yarn in the case of which drawback is claimed shall give access to every part of his manufactory to any officer of the Central Government specially authorised in this behalf by the Chief Customs Officer or the Chief Customs Authority to enable such authorised officer to inspect the processes of manufacture and to verify by actual check or otherwise the statements made in support of the claim for drawback.

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A. K. MUKARJI, Dy. Secy.